

FINANCE

(Standing Committee of Berkeley County Council)

Chairman: Mr. Jack H. Schurlnknight, District No. 6

A special **meeting** of the **COMMITTEE ON FINANCE**, Standing Committee of Berkeley County Council, was held on Monday, June 8, 2009, at 6:46 p.m. in the Supervisor's Conference Room, County Administration Building, 1003 Highway 52, Moncks Corner, South Carolina.

PRESENT: Chairman Jack H. Schurlnknight, Council District No. 6; Committee Member Phillip Farley, Committee Member Timothy J. Callanan, Council District No. 2; Committee Member Robert O. Call, Jr., Council District No. 3; Committee Member Cathy S. Davis, Council District No. 4; Committee Member Dennis L. Fish, Council District No. 5; Committee Member Caldwell Pinckney, Jr., Council District No. 7; Committee Member Steve C. Davis, Council District No. 8; Supervisor Daniel W. Davis, ex officio; Mrs. Nicole Scott Ewing, County Attorney; and Ms. Barbara B. Austin, Clerk of County Council.

In accordance with the Freedom of Information Act, the electronic and print media were duly notified.

During periods of discussion and/or presentations, minutes are typically condensed and paraphrased.

Finance Committee Chairman Jack H. Schurknknight called the meeting to order.

A. Ms. Elaine Morgan, CEO Berkeley Chamber of Commerce, Re: Update on accommodations tax.

Ms. Morgan presented an 'Accommodation Presentation – June 8, 2009' which summarized the growth and development of tourism in Berkeley County. *The slide presentation is attached hereto and made a part hereof by this reference.*

Accommodations Financial Report – July 07 through June 08

County Accommodation income from all sources totaled \$473,803.38. Expenses of \$559,946.67, offset by \$147,144.36 in Reserve funds, resulted in the ending balance of \$61,001.07.

Budget Breakdown

\$559,946.67 was the total for all categories of media advertising, dues, promotions, fees, and additional costs (*see slide presentation for complete list*).

State Tax Accommodation Breakout

County \$27,747.61 (*includes 5% General Fund*)

Chamber \$52,204.37 (*includes 30% legislatively mandated and 65% Tourism allocation*).

A 2% State Accommodations tax was passed during the early 1980's. From 1980 – 1986 Berkeley was basically a “receiver county” with a 45% hotel occupancy rate derived primarily from Charleston ‘overflow.’ The Chamber of Commerce requested that County Council advocate a dedicated promotion revenue. During the County’s ‘Receiver’ years, not more than \$50,000.00 was received from the 2% State Accommodations tax. By 1997, an average of \$6,000 per year was received from promotion.

Fee Accommodation Breakout

County	\$103,254.49	Chamber	\$413,018.04
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The most utilized revenue source is the Accommodations Tax; however, in anticipation of lower revenues, the Chamber proactively curtailed expenditures.

Accommodation for July 2008 through June 2009

Revenue total - \$420,000 (\$340,000 for the Chamber; \$80,000 for the County).

State Tax Collections

1994 – 1995 - County received \$132,279

2007 – 2008 - County received \$495,999.64 as reported on August 8, 2008.

Accommodation Tax Update

- Since 1996 Berkeley County has added nine hotels and expanded two in Moncks Corner (Holiday Inn and the Berkeley Motel.)

Berkeley Chamber Goals

- Promotion of the County as a desirable location for travelers and tour groups.
- Development of promotion packages and advertising programs to increase hospitality industry revenue.
- Increase tourism dollars by identifying and pursuing niche markets.
- Developing new feeder markets.

Tourism, Advertising and Promotion

- Berkeley County’s accommodations include 19 hotels, one ‘bed and breakfast’, and 10 fish camps, for a total of 1,500 hotel rooms and 120 campsites.
- The Chamber has actively promoted Berkeley County as a ‘niche market’ and attracted families, churches, sports teams, reunions and other groups. The County hosts South Carolina’s largest AME conference.
- The Chamber has developed traveler ‘menus’ for tourists who prefer multiple activity options during single or multi-day stays.

Chamber provision of services to Berkeley County

- Annually informs 50,000+ residents and visitors who call or visit the Chamber.
- Comprehensive website that receives 56,000 'hits' per month.
- Annually informs 25,000 additional people who request County information.
- Serves as initial point of contact for businesses and real estate developers.
- Promotes the County through Accommodations funds.
- Generates interest and qualified leads for economic, retail and real-estate development.

'Top 10' County Feeder Markets

- **N.C.:** Charlotte, Greenville/Spartanburg; Asheville, Raleigh, Winston/Salem; **GA:** Atlanta, Augusta; Richmond VA.; Baltimore, MD.; and the Charleston S.C. area.

Communication Strategies

- Community Blitzes via personal contact with qualified companies and organizations.
- Television Commercials, advertisements in national and trade publications.
- Trade shows to introduce the County to 2000+ travel groups and nearly 750,000 individuals.
- Improved Website which recently enhanced County's entry to the 'social media'.

The Chamber began advertising Cypress Gardens last year which yielded a 20% increase in visits to the Gardens. The Gardens' recent acceptance into the 'National Heritage Portal' will heighten national awareness of the County.

Ms. Morgan emphasized that a variety of media are used for promotion and advertising to attract tourists to Berkeley County.

Promotion / Advertising

Ms. Morgan stressed the importance of 'Drive Markets' which are communities within an eight to ten-hour 'drive distance' from the County. The 'Drive market' increased following a significant decline in flight-based tourism and travel after the September 2001 attack on the World Trade Center. This year the Chamber participated in 17 trade shows, 6 'drive markets' and community 'blitzes.'

Committee Members questioned the increased expenditures for media advertising. Ms. Morgan explained the value of the Chamber's 'media buyer' who effectively purchased 'airtime' and copy space in 'bulk' to maximize advertising dollars. Cable television ads are distributed to targeted stations with food and sports content. Print ads, in conjunction with 'destination articles' in prominent magazines such as 'Southern Living', promote widespread interest in Berkeley County. The media buyer also assists in tracking and measuring the efficiency of each method of marketing and advertising. Zip-code tracking is used to determine the geographical nature of feeder markets.

Committee Member Callanan, citing the Chamber's \$38,000 website, stated that a dedicated website was needed for promotion of Berkeley County tourism. Ms. Morgan stated that the website will include additional 'blocks' such as tourism, visitation, accommodations and more. Her presentation, however, showcased the 'social media' aspect of the website. The Chamber website currently averages 56,000 'hits' per month.

Promotion and Results

Ms. Morgan stated she is the sole Berkeley Chamber attendant at 'leisure trade shows'. The large 'sports shows' are attended by three retirees - Marshall Smith, Sammy Harrelson and Mark Wheeler - who occupy booths and promote the County's fishing and hunting opportunities. These larger trade shows allow detailed information (fliers and portfolios) to be distributed.

Since The Chamber of Commerce began handling the County's advertising, gross receipts from overnight hotel stays have increased nearly 400%. This translates to more 'indirect revenue' from expenditures at local restaurants, gas stations and more. Events like the Family Circle Cup and 'sports weekends' have also helped.

In conclusion, Ms. Morgan stated that all aspects of the Chamber's marketing efforts are designed to work in concert to attract and increase tourism. Decreased promotional and marketing funding would have significantly impact the community of businesses and industry which depend on both local and tourism revenue. Several new initiatives will be implemented as revenues become available. Council was encouraged to contact or visit the Chamber for additional information.

B. Ms. Carole Grant, IT Director, Re: New Web Site presentation.

Ms. Grant presented a comprehensive overview of the new Berkeley County website. The website is www.berkeleycountysc.gov (formerly www.co.berkeley.sc.us) and serves as a comprehensive source of information for county 'stakeholders' including businesses, residents, visitors and employees. *The slide presentation is attached hereto and made a part hereof by this reference.*

Ms. Grant stated that the website is a 'work in progress' and is continually revised and updated. Mr. Frank Saldamarco (Webmaster), assisted by his technical team, performed all technical work for the new website. The 'main page' includes a horizontal 'navigation bar' for residents, businesses, visitors and employees. Three A's appear to the right of the navigation bar to enable a user to control page resolution to maximize viewing depending on what size monitor the webpage is viewed upon.

Website Main Page content

- **The right side** of the main page includes County addresses, phone numbers, maps and a contact link for quick E-mail contact with the County Supervisor and/or webmaster. Related links include the Library, Calendar of Events and outlying municipalities. “Related links” includes the 2010 Census and more.
- **The center** of the main page is reserved for “featured” news which will be regularly rotated and updated to ensure timely coverage and information. An “Inside Berkeley County” column includes the Supervisor’s Blog, links to the County Council Members, Agendas, Committees, Minutes, and more.

Left side, main page

- **‘I Want to’** section lists a variety of selections and actions including job applications, viewing agendas or minutes, payments, and all County business that may be conducted ‘on line.’
- Agendas, minutes, judicial notices and more may be viewed in their entirety.
- **‘Be Notified’** section allows citizens to request E-mail notification of a variety of meetings, events and information.
- **‘See What’s On’** section links to County meetings, events and recreational events.
- **‘About Us’** section provides links to all County officials and comprehensive pages about their departments, functions and available services.

‘Resident’ link (on main page ‘navigation bar’)

- Includes page-centered stories of current interest.
- Includes similar first-page links.
- Bottom of the page includes resident-specific links such as ‘Clerk of Courts’, Veterans’ Affairs, Library, Seniors, Disability and more.

‘Visitor’ link (on main page ‘navigation bar’)

- Includes links relevant to County visitors, and related ‘Change ‘ links’.

The new site also includes **‘BIC’** (Berkeley Inside Connection) which is the ‘intranet’ for County Employees. The **‘BIC’** includes employee-relevant information, forms, training, events, newsletters, and other internal communications .

Committee Member Callanan expressed appreciation for the quality and content of the new website and inquired about website analysis of website page requests. He noted the absence of Summerville and Charleston from the list of cities and requested that they be added.

Ms. Grant commended Mr. Chip Boling and Ms. Gina Smith for their input and content editing. The website was developed and created in-house, except for assistance relative to the editing of content. Mr. Saldamarco stated that the new website does not include analytic capabilities. However, Ms. Grant added, ‘Counter’ features will be added to track the quantity and nature of website usage.

Supervisor Davis commended the multiple contributors who spent months developing the comprehensive, full-service website. He stated that the County's financial statements and check registers will soon be placed on the website for public access.

Committee Member Fish stated that Berkeley County's website is "by far, superior to anybody else's around" in terms of providing comprehensive information to the citizens and public in general.

Chairman Schurlknight, without objection, referred to the impending delivery of detailed budget books to Council Members. He recommended that a 'Continuing Budget Resolution' be presented during the June 22 Regular Meeting of Council in order to allow additional time for a thorough review. This would be followed by a Special Finance meeting on July 13, 2009.

Chairman Schurlknight further stated that additional Budget Workshops, if needed, could be held on Monday, June 29 and Tuesday, June 30, at 7:00 p.m.

Committee Member Farley called attention to a possible typographical error in the number of temporary employees as listed in some of the Budget information provided to date. He observed that Training had been removed as a budget item from all departments. Supervisor Davis responded that 'Training' has been pooled. Training requests must be approved by the Human Resources Departments to ensure elimination of duplicate training. Budget constraints have increased the need to ensure training provision for purposes of certification, recertification, or to meet mandated requirements.

Committee Member Callanan questioned whether tax delinquencies were higher, particularly in light of the higher foreclosure rate, and whether this information was included in the budget material provided to Council members to date. He asked whether increased delinquencies this Fiscal Year might translate into a potential influx of revenue next year.

Ms. Ginger Hamilton, Delinquent Tax Officer, stated that in FY 2007, a total of \$7 Million dollars was executed. FY 2008 saw \$11 Million dollars executed. According to the Treasurer's report, revenue from payments rose from the prior Fiscal Year.

Mr. Wilson Baggett, Tax Assessor, stated that when property changes names, it reverts to 6% the year following the change. The property owner would have to apply for the 4%.

Chairman Schurlknight stated that, during the June 22 Finance Committee meeting, an Ordinance for final adoption of the FY 2010 budget will be presented. A Budget workshop is scheduled for Monday, June 29 at 7:00 for continued discussion. After a special Finance Committee meeting on Monday, July 13, the Budget will receive third reading during the Regular Meeting of Council.

It was **moved** by Committee Member Callanan and **seconded** by Committee Member **Fish** to **adjourn** the special Committee on Finance Budget Workshop meeting. The motion passed by unanimous voice vote of the Committee.

The meeting ended at **8:00** p.m.

July 27, 2009
Date Approved

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Members: Mr. Phillip Farley, District No. 1
Mr. Timothy J. Callanan, District No. 2
Mr. Robert O. Call, Jr., District No. 3
Mrs. Cathy S. Davis, District No. 4
Mr. Dennis L. Fish, District No. 5
Mr. Caldwell Pinckney, Jr., District No. 7
Mr. Steve C. Davis, District No. 8
Mr. Daniel W. Davis, Supervisor, ex officio

A **special meeting** of the **COMMITTEE ON FINANCE**, Standing Committee of Berkeley County Council, will be held on **Monday June 8, 2009**, following the meetings of the Committees on Public Works and Purchasing, Planning and Development, Water and Sanitation, and Justice and Public Safety and Land Use **6:00 p.m.**, in the Assembly Room, Berkeley County Administration Building, 1003 Highway 52, Moncks Corner, South Carolina.

AGENDA

EXECUTIVE SESSION to discuss matters relating to the proposed location, expansion, or the provision of services encouraging location or expansion of industries, or other businesses in the area served by the county; or discussions of negotiations incident to proposed contractual arrangements and proposed sale or purchase of property, the receipt of legal advice where the legal advice relates to a pending, threatened, or potential claim or other matters covered by the attorney-client privilege, settlement of legal claim, or the position of the County in other adversary situations involving the assertion against the County of a claim.

A. Ms. Elaine Morgan, CEO Berkeley Chamber of Commerce, Re: Update on accommodations tax.

B. Ms. Carole Grant, IT Director, Re: New Web Site presentation.

June 3, 2009
S/Barbara B. Austin, CCC
Clerk of County Council